

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

New
Backup Info

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May 13, 2003

FROM: **DAVID H. SLAUGHTER**, Director
Real Estate Services Department

GARY S. PENROD, Sheriff

SUBJECT: **LEASE OF COUNTY-OWNED PROPERTY TO THE OPERATING ENGINEERS
TRAINING TRUST AND THE SOUTHERN CALIFORNIA SURVEYORS JOINT
APPRENTICESHIP TRUST**

RECOMMENDATION: Approve two-year lease agreement with the Operating Engineers Training Trust and the Southern California Surveyors Joint Apprenticeship Trust (Co-tenants) for five acres of land at the Sheriff's Training Academy in San Bernardino in exchange for in-kind services.

BACKGROUND INFORMATION: On March 26, 2002, the Sheriff's Department made a presentation to the Board regarding the master plan for the Sheriff's Training Center. The plan included several projects to be completed over the next several years to meet the County's future law enforcement training needs. During the presentation, Sheriff's staff indicated they would be looking for outside funding sources to enable completion of these projects at minimal cost to the County. To this end, staff contacted the Co-tenants to see if they would be willing to provide services through their apprenticeship training program. The Co-tenants expressed interest in the projects and indicated they need to relocate their apprenticeship training program since their current lease in Beaumont will expire on or about April 30, 2003.

Sheriff's staff met with County Counsel and Real Estate Services to discuss the possibility of leasing vacant County property at the Training Center to Co-tenants in exchange for in-kind services. Under the terms of the proposed lease agreement, the Co-tenants will occupy five acres of land that is part of the old Verdemon Boys Ranch site (now referred to as Glen Helen North). The Operating Engineers will locate approximately thirty-five pieces of heavy equipment and three singlewide classroom trailers on the site. Equipment maintenance and refueling are to be performed on a concrete pad located at Glen Helen North.

In exchange for the use of this land, the Co-tenants will provide in-kind services consisting of grading, soil testing, and surveying for several projects at the Sheriff's Training Center. These projects will enhance the existing training programs and provide a more efficient and safe training environment. Capital Improvement Program requests will be submitted for approval before the start of work on these projects, which are consistent with the Glen Helen Specific Plan.

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The Sheriff's Department will provide the electrical service to the site and the Co-tenants will be responsible for providing telephone service to the site. The terms of the lease are summarized as follows:

Lessee:	Operating Engineers Training Trust and the Southern California Surveyors Joint Apprenticeship Trusts, as co-tenants.
Location:	Glen Helen North San Bernardino
Size:	Five acres
Term:	Two years
Rent:	In-kind services estimated at \$1.5 million
Options:	None
Improvement costs:	Electrical service estimated at minimal cost
Maintenance:	To be provided by lessee
Utilities:	County to provide electricity, water, trash, and sewer. Tenant to provide telephone service.
Right to terminate:	Both parties have the right to terminate this agreement with 30 days notice.

Sheriff's staff contacted a local contractor to provide estimates of the value of the in-kind services to be performed. The individual projects and the estimated value of each are detailed below. These services will be completed during the two-year lease term.

Project	Grading	Soil testing	Surveying	Estimated value of in-kind services
Post-detonation Training Range	\$146,000	\$12,000	\$22,000	\$180,000
Anti Terrorism Scenario Village	480,000	25,000	45,000	550,000
Mounted Enforcement/Equestrian Area	108,000	5,000	10,000	123,000
Learning Center	275,000	20,000	41,000	336,000
Internal Connecting Road	272,000	18,000	35,000	325,000
Total:				\$1,514,000

The hold harmless and insurance provisions of the lease are not standard, but have been reviewed by Risk Management. The County's current self-insurance program and the insurance required to be provided by the Co-tenants under the lease covers all of the risks under the lease except for the grading, soil testing, and surveying services (the "project work") that will be performed by the Co-tenants for the listed projects at the Sheriff's Training Center. The hold harmless clause requires the Co-tenants to hold the County harmless for all risks under the lease except for the project work and has the County holding the Co-tenants harmless for their project work except for workers' compensation claims and claims arising from the tenant's gross negligence or willful misconduct. Risk Management believes that insurance should be available to cover the risks involved with the project work, is in the process of obtaining quotes for that coverage, and will advise the Board regarding available insurance policies.

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The risk associated with this project work is minimal because the only projects that will ultimately include structures are the Scenario Village and the Learning Center. The structures to be constructed at the Scenario Village will not be inhabited. At the point in time when the Learning Center is constructed, the grounds and facility will have to go through the permitting process. Per the agreement, the County shall ensure that each project has been reviewed and approved by the appropriate governmental agencies prior to Co-tenant's performance of any project work. The County is also responsible for ensuring that the appropriate governmental agencies inspect and approve all project work, including but not limited to soil compaction tests.

The Sheriff's Department and Risk Management are reviewing the Sheriff's current training curriculum and the County's liability coverage for the training with the County's insurance provider. As the training curriculum is enhanced, the Sheriff and Risk Management will continue to review the County's liability coverage with the County's insurance provider and provide the Board with recommendations to self-insure or commercially insure these programs.

REVIEW BY OTHERS: This item has been reviewed by County Counsel (Rex Hinesley and Michael A. Sachs, Chief Deputies County Counsel) on May 6, 2003; Risk Management (Pamela Thompson, Risk Manager) on May 6, 2003; and the County Administrative Office (Daniel R. Kopp and Mario Lara, Administrative Analysts) on May 6, 2003.

FINANCIAL IMPACT: The lease provides for in-kind services to the County valued at \$1.5 million. The additional cost of providing electricity to the modular classrooms will be minimal and absorbed within the Sheriff's existing budget.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's proposal, and recommends this action because it will facilitate the completion of surveying, soil testing, and grading projects at the Sheriff's Regional Training Center.

SUPERVISORIAL DISTRICT: Fifth

PRESENTER: David H. Slaughter, Director, 387-7813
Greg Kyritsis, Sheriff's Captain, 387-3637

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